June 21, 1989

Lindi Kacic, Treasurer Marian Bergeson For Lt. Governor P. O. BOX 3151 Newport Beach, California 92663

Re: Your Request For Advice Our File No. A-89-312

Dear Ms. Kacic:

You have requested written confirmation of telephone advice provided to you regarding the campaign provisions of the Political Reform Act (the "Act).1/

I advised you that the photographs which were purchased in February by Senator Bergeson's Senate campaign committee could be used by Senator Bergeson's Lt. Governor campaign committee. In addition, I advised you that the Lt. Governor's campaign account must pay the Senate account the fair market value of the photographs.

My telephone advice was provided prior to the May 15, 1989 ruling in <u>Service Employees International Union v. Fair Political Practices Commission</u>, U.S. District Court, Eastern Dist. of California, No. CIVS-89-0433 LKK-JFM. In that case, the court granted a preliminary injunction limiting enforcement of certain provisions of Proposition 73. As a result of that ruling, there is no restriction on a candidate's ability to transfer campaign funds, including assets, among his or her own controlled committees.

^{1/}Government Code Sections 81000-91015. All statutory references are to the Government Code unless otherwise indicated. Commission regulations appear at 2 California Code of Regulations Section 18000, et seq. All references to regulations are to Title 2, Division 6 of the California Code of Regulations.

Lindi Kacic June 21, 1989 Page 2

Therefore, campaign funds and assets (including the photographs) owned by one of Senator Bergeson's controlled committees may be transferred to one of her other controlled committees. It is not necessary for one committee to pay the other committee for assets which are transferred.

Please call me at (916) 322-5662 if you have additional questions.

Sincerely,

Kathryn E. Donovan General Counsel

Alice Hughes

By: Alice Hughes

Political Reform Consultant

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Marian Bergeson For Lt. Governor P. O. Box 3151 Newport Beach, CA 92663

May 9, 1989

Ms. Alice Hughes
Political Reform Consultant
Fair Political Practices Commission
P. O. Box 807
Sacramento, CA 95804-0807

Dear Alice:

Per our recent conversation, this letter is to confirm your telephone advice regarding Sen. Bergeson's Lt. Governor campaign using photographs of the Senator that were purchased by her Senate administrative account.

In our telephone conversation on May 4, 1989, the same day Sen. Bergeson announced she was running for Lt. Governor, her new Lt. Governor campaign committee was given approval by the FPPC to use photographs of her that were purchased in February by her Senate administrative funds. We were also advised by you that the Lt. Governor campaign account must reimburse the Senate account for the cost of the photos.

If there are any additions or corrections to this letter, please let me ${\tt know.}$

Sincerely, Lunde Kacic

Lindi Kacic, Treasurer

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Marian Bergeson For Lt. Governor P. O. Box 3151 Newport Beach, CA 92663

May 9, 1989

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Political Reform Consultant
Fair Political Practices Commission
P. O. Box 807
Sacramento, CA 95804-0807

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If there are any additions or corrections to this letter, please let me know.

Sincerely, Linde Kacic

Lindi Kacic, Treasurer